

NOTE: The listings below are abbreviated versions of the more detailed descriptions found in Publication 946. That publication must be consulted to accurately determine recovery periods.

LIST OF BUSINESS PERSONAL PROPERTY GROUPS BY RECOVERY PERIOD

3 Year

Business Personal Property with 3 Year Recovery Period

Property within the 3 year recovery period is depreciated by years in service as follows:
Year 1 – 75%; Year 2 – 37.5%; Year 3 – 12.5%; Year 4 and Subsequent Years – 5%

BPP falling in this recovery period are listed below, followed by the identifying Asset Class number from Publication 946.

BPP used in the manufacture of:

1. **Food and Beverages** – Special Handling Devices (Asset Class 20.5)
2. **Rubber Products** – Special Tools and Devices (Asset Class 30.11)
3. **Finished Plastic Products** – Special Tools (Asset Class 30.21)
4. **Glass Products** – Special Tools (Asset Class 32.11)
5. **Fabricated Metal Products** – Special Tools (Asset Class 34.01)
6. **Motor Vehicles** – Special Tools such as jigs, dies, molds, etc., used in the manufacture of motor vehicles (Asset Class 37.2)

5 Year

Business Personal Property with 5 Year Recovery Period

Property within the 5 year recovery period is depreciated by years in service as follows:
Year 1 – 85%; Year 2 – 59.5%; Year 3 – 41.65%; Year 4 – 24.99%; Year 5 and Subsequent Years – 10%

BPP falling in this recovery period are listed below, followed by the identifying Asset Class number from Publication 946.

1. **Information Systems and Data Handling Equipment (Including Computers)**
used in all business activities for administering normal business transactions and the maintenance of business record (Asset Class 00.12 & 00.13)
2. **Trailers and Trailer-Mounted Containers** (Asset Class 00.27)
3. Assets used in **Construction** (Asset Class 15.0)
4. Assets used in **Cutting of Timber** (Asset Class 24.1)
5. Assets used in **Sawing of Dimensional Stock from Logs** when sawmill is on temporary foundation (Asset Class 24.3)
6. Any **Semiconductor Manufacturing Equipment** (Asset Class 36.1)
7. **Ship and Boat Building** – Special Tools (Asset Class 37.33)
8. **Computer-based Telephone Central Office Switching Equipment** (Asset Class

- 48.121)
9. **Radio and Television Broadcastings** – Telegraph, Ocean Cable and Satellite Communications (TOCSC)(Asset Class 48.2)
 10. **Satellite Space Segment Property** (TOCSC) (Asset Class 48.37)
 11. **CATV** – Program Origination (Asset Class 48.43)
 12. **CATV** – Service and Test (Asset Class 48.44)
 13. **CATV** – Microwave Systems (Asset Class 48.45)
 14. **Electric Utility Nuclear Fuel Assemblies** (Asset Class 49.121)
 15. **Distributive Trades and Services** (Asset Class 57.0)
- And assets used in the manufacture of:*
16. **Knitted Goods** (Asset Class 22.1)
 17. **Carpets and Dyeing, Finishing, and Packaging of Textile Products and Manufacture of Medical and Dental Supplies** (Asset Class 22.3)
 18. **Textile Yarns** (Asset Class 22.4)
 19. **Apparel** and Other Finished Products (Asset Class 23.0)
 20. **Chemicals** and Allied Products (Asset Class 28.0)
 21. **Primary Nonferrous Metals** – Special Tools used in the smelting and refining of nonferrous metals. (Asset Class 33.21)
 22. **Electronic Components, Products, and Systems** (Asset Class 36.0)

7 Year

Business Personal Property with 7 Year Recovery Period

Property within the 7 year recovery period is depreciated by years in service as follows:

Year 1 – 89.29%; Year 2 – 70.16%; Year 3 – 55.13%; Year 4 – 42.88%; Year 5 – 30.63%; Year 6 – 18.38%; Year 7 and subsequent years – 10.00%.

BPP falling in this recovery period are listed below, followed by the identifying Asset Class number from Publication 946.

1. **Office Furniture, Fixtures and Equipment** used in all business activities such as desks, files, safes and communications equipment, does not include communications equipment in other classes (Asset Class 00.11)
2. **Cotton Ginning Assets** (Asset Class 1.11)
3. **Mining** assets used in the mining and quarrying of metallic and nonmetallic minerals (Asset Class 10)
4. Assets used in **Sawing of Dimensional Stock from Logs when sawmill is on permanent foundation or well-established.** (Asset Class 24.2)
5. Assets used in **Ship and Boat Building Machinery and Equipment** (Asset Class 37.31)
6. Assets used in **Printing, Publishing, and Allied Industries** (Asset Class 27.0)
7. **Railroad Machinery and Equipment** (Asset Class 40.1)
8. **Railroad Track** (Asset Class 40.4)
9. Assets used in **Air Transport** (Asset Class 45.0)
10. **Telephone Station Equipment** (Asset Class 48.13)
11. **Telegraph, Ocean Cable, and Satellite Communications (TOCSC) – High Frequency Radio and Microwave Systems** (Asset Class 48.32)
12. **Computerized Switching, Channeling, and Associated Control Equipment**

(TOCSC) (Asset Class 48.35)

13. **Telegraph, Ocean Cable, and Satellite Communications (TOCSC)** (Asset Class 48.36)
14. **Equipment Installed on Customer's Premises (TOCSC)** (Asset Class 48.38)
15. **TOCSC – Support and Service Equipment – Cable Television (CATV)** (Asset Class 48.39)
16. **CATV – Headend** (Asset Class 48.41)
17. **CATV – Subscriber Connection and Distribution Systems** (Asset Class 48.42)
18. **Gas Utility Substitute Natural Gas (SNG) Production Plant** (Asset Class 49.222)
19. **Natural Gas Production Plant** (Asset Class 49.23)
20. **Waste Reduction and Resource Recovery Plants** (Asset Class 49.5)
21. **Recreation** (Asset Class 79)
22. **Theme and Amusement Parks** (Asset Class 80.0)

And, assets used in the Manufacture of:

23. **Other Food and Kindred Products** (Asset Class 20.4)
24. **Tobacco and Tobacco Products** (Asset Class 21.0)
25. **Yarn, Thread and Woven Fabric** (Asset Class 22.2)
26. **Non-woven Fabrics** (Asset Class 22.5)
27. **Wood Products, and Furniture** (Asset Class 24.4)
28. **Pulp and Paper** (Asset Class 26.1)
29. **Converted Paper, Paperboard and Pulp Products** (Asset Class 26.2)
30. **Rubber Products** (Asset Class 30.1)
31. **Finished Plastic Products** (Asset Class 30.2)
32. **Leather and Leather Products** (Asset Class 31.0)
33. **Glass Products** (Asset Class 32.1)
34. **Other Stone and Clay Products** (Asset Class 32.3)
35. **Primary Nonferrous Metals, special tools used in the manufacture of** (Asset Class 33.2)
36. **Foundry Products** (Asset Class 33.3)
37. **Primary Steel Mill Products** (Asset Class 33.4)
38. **Fabricated Metal Products** (Asset Class 34.0)
39. **Electrical and Non-electrical Machinery and Other Mechanical Products** (Asset Class 35.0)
40. **Motor Vehicles, assets used in the manufacture of** (Asset Class 37.11)
41. **Aerospace Products** (Asset Class 37.2)
42. **Locomotives** (Asset Class 37.41)
43. **Railroad Cars** (Asset Class 37.42)
44. **Athletic, Jewelry, and Other Goods** (Asset Class 39.0)

10 Year

Business Personal Property with 10 Year Recovery Period

Property within the 10 year recovery period is depreciated by years in service as follows:

Year 1 – 92.50%; Year 2 – 78.62%; Year 3 – 66.83%; Year 4 – 56.81%; Year 5 – 48.07%; Year 6 – 39.33%; Year 7 – 30.59%; Year 8 – 21.85%; Year 9 and subsequent years – 15.00%

Business personal property falling in this recovery period are listed below, followed by the identifying Asset Class number from Publication 946.

1. **Vessels, Barges, Tugs, and Similar Water Transportation Equipment**, except those used in marine construction (Asset Class 00.28)
2. **Petroleum Refining** (Asset Class 13.3)
3. **Telephone Central Office Equipment** (Asset Class 48.12)
4. **TOCSC – Electric Power Generating and Distribution Systems** (Asset Class 48.31)
5. **TOCSC – Central Office Control Equipment** (Asset Class 48.34)

And assets used in the Manufacture of :

6. **Grain and Grain Mill Products** (Asset Class 20.1)
7. **Vegetable Oils and Vegetable Oil Products** (Asset Class 20.3)
8. **Ship and Board building Dry Docks and Land Improvements** (Asset Class 37.32)
9. **Sugar and Sugar Products** (Asset Class 20.2)
10. **Substitute Natural Gas – Coal Gasification** (Asset Class 49.223)

15 Year

Business Personal Property With 15 Year Recovery Period

Property within the 15 year recovery period is depreciated by years in service as follows:

Year 1 – 95.00%; Year 2 – 85.50%; Year 3 – 76.95%; Year 4 – 69.25%; Year 5 – 62.32%; Year 6 – 56.09%; Year 7 – 50.19%; Year 8 – 44.29%; Year 9 – 38.38%; Year 10 – 32.48%; Year 11 – 26.57%; Year 12 – 20.67%; Year 13 and subsequent years – 15.00%

Business personal property falling in this recovery period are listed below, followed by the identifying Asset Class number from Publication 946.

1. Assets used in the **Manufacture of Cement** (Asset Class 32.2)
2. **Railroad Nuclear electric Generating Equipment** (Asset Class 40.52)
3. **Water Transportation** (Asset Class 44.0)

20 Year

Business Personal Property With 20 Year Recovery Period

Property within the 20 year recovery period is depreciated by years in service as follows:

Year 1 – 96.25%; Year 2 – 89.03%; Year 3 – 82.35%; Year 4 – 76.18%; Year 5 – 70.46%; Year 6 – 65.18%; Year 7 – 60.29%; Year 8 – 55.77%; Year 9 – 51.31%; Year 10 – 46.85%; Year 11 – 42.38%; Year 12 – 37.92%; Year 13 – 33.46%; Year 14 – 29.00%; Year 15 – 24.54%; Year 16 – 20.08; Year 17 and subsequent years– 20.00%

1. **Railroad Hydraulic Electric Generating Equipment** (Asset Class 40.51)
2. **Railroad Steam Electric Generating Equipment** (Asset Class 40.53)
3. **Railroad Steam, Compressed Air and Other Power Plant Equipment** (Asset Class 40.54)

4. **TOCSC – Cable and Long Line Systems** (Asset Class 48.33)
5. **Electric, Gas, Water and Steam, Utility Services; Electric Utility Hydraulic Production Plant; Electric Utility Steam Production Plant; Electric Utility Transmission and Distribution Plant; Gas Utility Distribution Facilities; Gas Utility Manufactured Gas Production Plants; Water Utilities & Central Steam Utility Production and Distribution** (Asset Classes 49.11, 49.13, 49.14 49.21, 49.221, 49.3, 49.4 & 51)